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MICHAEL RODAK, JR.

IN THE

Supreme Court of the United States

OCTOBER TERM, 1971

No. 71-1457

MONSANTO COMPANY, *Petitioner,*

v.

ROHM AND HAAS COMPANY

On Petition for a Writ of Certiorari to the United States Court of Appeals for the Third Circuit

BRIEF FOR THE RESPONDENT IN OPPOSITION

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INDEX

	Page
Opinions below	1
Jurisdiction	2
Question presented	2
Statement	2
A. The patent in suit and its underlying chemistry	4
B. The prior art	6
C. Monsanto's three applications, their Patent Office prosecution, and contemporaneous activity by Rohm and Haas	7
1. Monsanto's first application	8
2. Contemporaneous activity by Rohm and Haas	9
3. Monsanto's second application; declaration of interference	10
4. Monsanto's third application	12
5. Material information withheld from the Monsanto affidavit and accompanying amendment that overcame the Patent Office's rejection and resulted in the patent in suit	14
D. The district court's first decision	18
E. The district court's second decision	19
F. The Third Circuit's decision	20
Argument	22
Conclusion	32

AUTHORITIES

Page

CASES:

Aetna Life Ins. Co. v. *Haworth*, 300 U.S. 227 30
Blonder-Tongue v. *University Foundation*, 402 U.S. 313 30
Cramer v. *United States*, 325 U.S. 1 26
In re Henze, 181 F. 2d 196 31
Monsanto Company v. *Dawson Chemical Co.*, 312 F. Supp. 452, reversed, 443 F. 2d 1035, certiorari denied, 405 U.S. 974 30
Precision Co. v. *Automotive Co.*, 324 U.S. 806 .....21, 29
In re Stemniski, 444 F. 2d 581 30
United States v. *American Bell Tel. Co.*, 167 U.S. 224 23
Walker Process Equipment v. *Food Machinery & Chemical Co.*, 382 U.S. 172 24

STATUTE:

35 U.S.C. § 112 3

MISCELLANEOUS:

118 Cong. Rec. S-4109-12 (March 17, 1972) 27
37 Fed. Reg. 9225 27
Rules 52 and 59, F.R. Civ. P. 19
Williston, *Representation and Warranty in Sales*, 27 Harv. L. Rev. 1 29

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OPINIONS BELOW

The opinions of the district court following the trial (Pet. App. 38-74) and on motion for new trial (Pet. App. 100-07) are reported together at 312 F.Supp. 778. The opinion below as amended (Pet. App. 1-23, 36-37) has not yet been reported.

JURISDICTION

The judgment of the court below was entered on January 12, 1972, but was apparently inadvertently omitted by Monsanto from its Petition although required by this Court's Rule 23 (1) (j), as amended. A timely petition for rehearing was denied on February 28, 1972 (Pet. App. 35). The opinion below was amended on March 9, 1972 (Pet. App. 36-37). The petition for a writ of certiorari was filed on May 8, 1972. The jurisdiction of this Court is invoked under 28 U.S.C. § 1254(1).

QUESTIONS PRESENTED

1. Whether the record supports the concurrent findings below that there was clear and convincing proof that Monsanto's intentional failure to disclose material information to the Patent Office constituted inequitable conduct which rendered its patent invalid and unenforceable.

2. Whether in view of the foregoing concurrent findings there was any need for the court of appeals to review the district court's holding that Monsanto's patent was invalid for three additional and independent reasons—obviousness, anticipation and many years' laches in asserting a claim to the patented compound.

STATEMENT

This was an action alleging infringement of petitioner Monsanto's patent No. 3,382,280 on the chemical compound 3',4'-dichloropropionanilide (hereafter "3,4-DCPA"), in which respondent Rohm and Haas counterclaimed *inter alia* for a declaration of invalidity based on (a) obviousness, (b) misrepresentation, (c)

laches, (d) anticipation, and (e) lack of the specificity required by 35 U.S.C. § 112.

Following trial, the district court found in favor of Rohm and Haas on each of the first four grounds and accordingly held the patent invalid and unenforceable. Petitioner (Pet. 4) fails to mention laches in claiming and anticipation as additional grounds of invalidity (Pet. App. 66-73), although it condemns the court below for failing to review the district court's determination of obviousness (Pet. 27-31).

Monsanto thereupon moved for a partial new trial or, alternatively, for new findings on the issue of its fraud on the Patent Office, and it requested new findings on the issue of anticipation. After extensive briefing and oral arguments, the court denied the motions on May 21, 1970, restating in a supplemental opinion its holdings that Monsanto had not (as it contended) innocently withheld a few inconsequential documents, but rather was guilty of deliberately withholding numerous material facts, thereby misleading the Patent Office into granting the patent at bar on a compound it had previously rejected as unpatentable. And it also reaffirmed its findings that the prior art "implicitly" described 3,4-DCPA to one skilled in the art (Pet. App. 100-07).

On appeal, the Third Circuit (one judge dissenting) held that "it becomes necessary to reach only the misrepresentation issue" (Pet. App. 5), and, after reviewing the district court's findings in the light of the record, concluded (Pet. App. 14) that "Monsanto's failure to disclose amounted to misrepresentation transgressing equitable standards of conduct owed the public by the applicant in return for its monopoly. Accordingly, Monsanto was not entitled to the patent monopoly, and

the district court did not err in issuing the declaratory judgment of invalidity."

The opinion below was later modified in minor respects (Pet. App. 36-37). Both rehearing and rehearing in banc were denied (Pet. App. 35).

In view of the single issue on which the decision below was rested, we limit our statement to the facts bearing on that issue, together with enough of the underlying record to answer Monsanto's attack on selectively fragmented portions of the Third Circuit's decision.

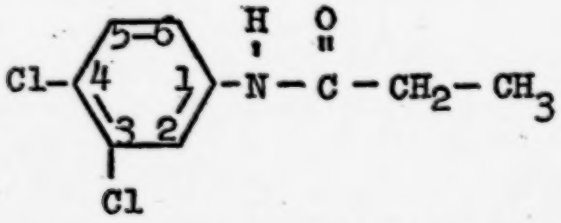
A. The Patent in Suit, the Patented Compound and Its Underlying Chemistry.

The patent in suit contains a single claim reading "3′ 4′-dichloropropionanilide." Its specification represents as justification for the patent that this single compound is unique because it possesses "unusual and valuable herbicidal activity," whereas "related compounds possess little or no herbicidal efficiency." On the basis of this representation and a supporting affidavit that will be discussed hereinafter, the claim which had previously been rejected as unpatentable was allowed, and Monsanto was granted a broad patent monopoly on the chemical compound 3,4-DCPA *per se*, without restriction to its asserted "unusual and valuable herbicidal activity." Accordingly if the patent were valid, it would entitle Monsanto to exclude 3,4-DCPA from the public domain—for any and all uses, herbicidal or otherwise, previously known or hereafter discovered—until May 7, 1985 (Fdg. 18, Pet. App. 44). When Rohm & Haas from 1958 through 1962 attempted to patent this same 3,4-DCPA as a compound, the Patent Office (including the Board of Ap-

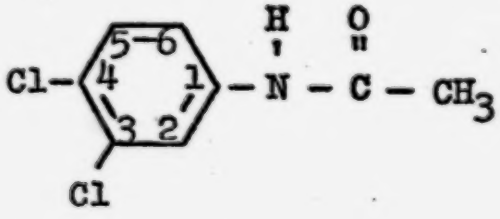
peals) rejected the claim to the compound as unpatentable over the prior art, and Rohm and Haas acquiesced therein and abandoned that claim (Fdg. 20, Pet. App. 44).

Rohm and Haas was the pioneer in the sale of 3,4-DCPA. It began marketing the compound prior to April 7, 1961 (Fdg. 29, Pet. App. 46-47) and was followed by Monsanto a year later (Answer to Interrogatory, A. 722).* Since that time, 3,4-DCPA has been marketed extensively as a *selective* post-emergence herbicide, viz., one which, when applied after emergence to a crop and weeds normally associated therewith, substantially destroys the weeds without adversely affecting the crop (Fdg. 7, Pet. App. 41).

3,4-DCPA has the structural formula



while a prior art compound 3',4'-dichloroacetanilide (hereinafter "3,4-DCAA") has the almost identical structural formula



*"A" refers to the four volume printed appendix before the Third Circuit. The first two volumes (pages 1 to 786) include the pleadings and testimony herein, and the third and fourth volumes (pages 1 to 1076) include the exhibits.

Both compounds are "3',4'-dichloroanilides," the numbers 3' and 4' indicating the positions of the chlorine atoms substituted on the hexagonal benzene ring. 3,4-DCAA is the adjacent or next lower homolog of 3,4-DCPA, since it differs in structure solely by having one less —CH_2— group (Fdgs. 6, 8 and 9, Pet. App. 40-41).

"Isomers" and "analogs" of 3,4-DCPA are defined in the district court's findings 10 and 12 (Pet. App. 41-42) and they are illustrated by various examples in Findings 11, 13, 14 and 15 (Pet. App. 42-43). Also defined are so-called "ortho-", "meta-" and "para-" compounds (Fdg. 16, Pet. App. 54). These chemical facts are of importance for consideration of the prior art, which in turn is essential to an understanding of the misrepresentations found by both courts below.

B. The Prior Art.

The parties stipulated that the references relied on by Rohm & Haas do not recite the specific name "3',4'-dichloropropionanilide" as such, nor do they portray its specific chemical structure (Fdgs. 39-40, Pet. App. 50-51). They also stipulated that 3,4-DCAA and twelve other closely related homologs, isomers or analogs were specifically described in the prior art published before May 27, 1956 (Fdg. 41, Pet. App. 51-52). The district court found that these prior art homologs, isomers and analogs rendered the chemical compound 3,4-DCPA structurally obvious to one skilled in the art (Fdg. 42, Pet. App. 52). And it found on the undisputed facts that the process for making 3,4-DCPA was old and well known (Pet. App. 60). It made further findings, based on undisputed facts, that both the patented compound and its prior art homo-

logue 3,4-DCAA have herbicidal properties and they are also useful for another purpose—the production of pigments (Fdgs. 43, 47-48, Pet. App. 52, 54, 57).

The district court went even deeper into the voluminous record, resolving conflicts in expert testimony (Fdg. 5, Pet. App. 40), and found as a fact that the disclosures of the prior art patent to Bienert and the prior art publications of Chattaway and Fontein each taught a small group of compounds embracing and implicitly describing 3,4-DCPA to those skilled in the art (Fdgs. 43-45, Pet. App. 52-53; D.C. Op., Pet. App. 70-72). It concluded that the implicit description of 3,4-DCPA by this prior art "is sufficiently clear and distinct (Findings of Fact Nos. 43, 44 and 45) to invalidate Monsanto's patent" (D.C. Op., Pet. App. 71).

The district court further found that Bienert taught the public to use his small group of compounds, including 3,4-DCPA and 3,4-DCAA, for the production of pigment coloring materials and that the FIAT publication exemplified such production starting with 3,4-DCAA. It also found that when Dr. Price (Rohm and Haas' expert) used 3,4-DCPA in the same reaction illustrated by FIAT with 3,4-DCAA, he obtained a pigment "having properties 'very similar' to those of the pigment made from 3,4-DCAA" (Fdg. 43, Pet. App. 52). Monsanto's patent at bar withdrew from the public domain the right to use 3,4-DCPA as a source of pigment coloring materials.

C. Monsanto's Three Applications, Their Patent Office Prosecution, and Contemporaneous Activity by Rohm and Haas.

Monsanto spent eleven years in prosecuting three successive patent applications before the patent in suit finally issued on the third application. The second

application which specifically claims the selective herbicidal use of 3,4-DCPA is still pending, involved in an interference with a Rohm and Haas application claiming the discovery of that particular use.

1. Monsanto's First Application

Monsanto's first application, Serial No. 661,575, was filed on May 27, 1957 in the name of Clarence W. Huffman. It claimed both herbicidal compositions * containing chemical compounds and the use of those compounds to destroy undesired plants (Fdg. 21, Pet. App. 44).

Claims directed to a chemical compound *per se* were omitted, although they had been included in an earlier draft of the application. They were omitted after Monsanto conducted tests comparing the herbicidal activity of 3,4-DCPA with that of its prior art homolog 3,4-DCAA—and found that there was very little difference between them (A. 162-63; DX-10, A. 892). Such claims were never presented to the Patent Office by Monsanto at any time during the prosecution of that application (Fdg. 22, Pet. App. 44-45).

This first filed application disclosed a class embracing millions of 3′,4′-dihalogenated anilides (A. 317-18), including 3,4-DCPA and its prior art adjacent homolog 3,4-DCAA, and categorically represented that all the compounds included within this huge class of 3, 4′-dihalogenated anilides possessed "unusual and valuable herbicidal activity." At trial, Huffman confirmed such "unusual and valuable herbicidal activity"

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* "Herbicidal compositions" are mixtures of the active ingredient with other substances, such as a surface active agent which Monsanto characterized as "an essential component" (DX 3, A. 825) to facilitate its herbicidal use.

of all compounds included within the broad claim language (Fdg. 23, Pet. App. 45).

A somewhat narrower class of preferred 3′, 4′-dichloroanilides comprising about one hundred compounds and including both 3,4-DCPA and its previously known next lower homolog, 3,4-DCAA, was also disclosed in Monsanto's 1957 application. Each member of that class was stated to possess "outstanding utility" over and above the "unusual and valuable herbicidal activity" attributed to all members of the larger class (Fdg. 24, Pet. App. 45).

In four separate office actions, the Patent Office rejected all the claims of Monsanto's first application, both those embracing herbicidal compositions containing 3,4-DCPA and those for methods of using them, as clearly unpatentable over the disclosures of the prior art (Fdg. 26, Pet. App. 46).

2. Contemporaneous Activity by Rohm and Haas

Research personnel of Rohm and Haas made 3,4-DCPA and found it to have high herbicidal activity in greenhouse tests conducted in February and March 1957. They then subjected it to a series of field tests during May-July, 1957. On February 13, 1958, Rohm and Haas filed Wilson and McRae patent application Serial No. 714,947, disclosing this compound and two others as selective post-emergence herbicides (A. 45). This work thereafter came to the attention of Monsanto:

In May 1959, Rohm and Haas was granted South African Patent No. 309/59 describing and claiming 3,4-DCPA as a selective, post-emergence herbicide. In January 1960, Dr. Roy Smith of the U.S. Department

of Agriculture gave a report at the Southern Weed Conference describing 3,4-DCPA supplied by Rohm and Haas as a selective post-emergence herbicide for the control of weeds in rice. Dr. Smith's report was printed and published in April 1960 as part of the Proceedings of that Conference. Prior to April 1961, Rohm and Haas sold 3,4-DCPA as a selective, post-emergence herbicide. Monsanto obtained a copy of Rohm and Haas' South African patent by September 1959, Monsanto's representatives attended the January 1960 Southern Weed Conference, and Monsanto learned by April 1961 that Rohm and Haas was selling 3,4-DCPA as a selective, post-emergence herbicide (Fdg. 29, Pet. App. 46-47).

3. Monsanto's Second Application: Declaration of Interference.

On May 8, 1961, more than twenty months after issuance of Rohm and Haas' South African patent, more than fifteen months after Monsanto attended the Southern Weed Conference, thirteen months after publication of the Weed Conference Proceedings, and one month after Monsanto had learned that Rohm and Haas had begun selling 3,4-DCPA as a post-emergence selective herbicide, Monsanto filed a second patent application in Huffman's name as a continuation-in-part of its first 1957 application, and thereupon abandoned the latter (Fdgs. 27, 30, Pet. App. 46, 47). Huffman had left the employ of Monsanto in September 1957, some three and one half years earlier (¶ 24, A. 33). This second Monsanto application, unlike the first application, referred to the commercial use for which Rohm and Haas had been selling 3,4-DCPA.

As in the case of its first application, Monsanto's second application claimed both compositions contain-

ing numerous 3,4-dihalogenated anilides and the use of those compositions to destroy undesired plants; but it still did not claim any chemical compound *per se* (Fdgs. 27, 32, Pet. App. 46, 47). It disclosed a large class of 3,4-dihalogenated anilides, including both 3,4-DCPA and 3,4-DCAA, and stated that the members of said class possessed "unusual and valuable herbicidal activity" (Fdg. 28, Pet. App. 46).

The Patent Office rejected the claims of Monsanto's second application as unduly broad, and also because they were unpatentable over the prior art (Fdg. 31, Pet. App. 47).

On November 14, 1962, the Patent Office suggested to Monsanto an allowable claim "for purpose of interference" which corresponded to claim 9 of patent application Serial No. 96,089, filed March 16, 1961, by Wilson and McRae, assignors to Rohm and Haas (as a continuation-in-part of the above-mentioned Rohm and Haas 1958 application). This was the first claim to a method of using or to a herbicidal composition containing 3,4-DCPA which was indicated as allowable either to Monsanto or to Rohm and Haas during the prosecution of any of their applications (Fdg. 32, Pet. App. 47). Throughout this period Monsanto had never asserted a claim to the chemical compound *per se*. All claims to general herbicidal methods and herbicidal compositions containing 3,4-DCPA and related compounds had been consistently rejected as unpatentable over prior art which the Patent Office stated suggested the herbicidal use of such compounds. These rejections are still outstanding against such claims (D.C. Supp. Op., Pet. App. 106-107).

The claim in question reads as follows (A. 678):

> "A method for *selectively* inhibiting growth of undesirable plants in an area containing growing undesirable plants in an agronomic crop, which comprises applying to said area 3,4-dichloropropionanilide [3,4-DCPA] at a rate of application which inhibits growth of said undesirable plants and which does not adversely affect the growth of said agronomic crop." [Italics added]

It is apparent from the foregoing single claim finally allowed by the Patent Office that patentability was held to reside solely in the discovery of the *selective* post-emergence herbicidal activity of 3,4-DCPA. And any patent thereon will be limited to such use, and will not interfere with the use of the compound by the public for other purposes.

Interference No. 93,751 was declared on August 21, 1963 to determine whether Monsanto's applicant (Huffman) or Rohm and Haas' applicants (Wilson and McRae) first invented the selective herbicide method recited in the foregoing claim and is entitled to a patent thereon (Fdg. 33, Pet. App. 48-48). That issue has not yet been finally resolved (D.C. Op., Pet. App. 60).

During the interference, Monsanto moved to add counts to the interference and offered an amendment adding a claim to "the compound 3′, 4′-dichloropropionanilide." But that motion was denied and the amendment was not entertained by the Patent Office (Fdg. 33, Pet. App. 48).

4. Monsanto's Third Application

For nearly three more years Monsanto made no attempt to claim the compound 3,4-DCPA (Fdg. 33, Pet.

App. 48). However, on February 3, 1967, it filed a third application, claiming 3,4-DCPA as a compound. This application, which issued as the patent in suit, was examined by a different examiner from those who had examined its two previous applications and she was located in a different division of the Patent Office and had no responsibility for the prosecution of the earlier applications (Fdg. 34, Pet. App. 48). The pending earlier-filed second Huffman application with its inconsistent statements conceding the herbicidal activity of 3,4-DCAA and other related prior art compounds was then part of a huge file comprising nine boxes kept in still another division of the Patent Office (DX-100, A. 1075), which had meanwhile moved from the District of Columbia to Virginia. The first Huffman application had been abandoned for some years.

Unlike the two earlier Monsanto applications, the third one asserted that *only* 3,4-DCPA had "unusual and valuable herbicidal activity" and asserted further that the activity of this allegedly new compound was "surprising" because "related compounds possess little or no herbicidal efficiency." While Monsanto listed "some" of these related compounds in its third application, it omitted all reference to the many more closely related compounds that it had represented in both its earlier applications as having "unusual and valuable herbicidal activity," and, in the case of the prior art homolog 3,4-DCAA, "outstanding" herbicidal activity (Fdg. 35, Pet. App. 48). Despite the complete change of position in the third application, Monsanto is still seeking a patent on its inconsistent second application to monopolize the use as herbicides of 3,4-DCPA, 3,4-DCAA and numerous related prior art compounds.

The new examiner rejected the single compound claim to 3,4-DCPA in Monsanto's third application as obvious in view of the prior art disclosures of homologs and isomers of 3,4-DCPA, including 3,4-DCAA and 2,4-dichloropropionanilide. Because of their close chemical similarity to 3,4-DCPA, these compounds would be expected to possess the same properties as 3,4-DCPA to a greater or lesser extent (Fdg. 36, Pet. App. 48).

5. Material Information Withheld from the Monsanto Affidavit and Accompanying Amendment That Overcame the Patent Office's Rejection and Resulted in the Patent in Suit.

In its effort to persuade the Patent Office that 3,4-DCPA was patentable over the foregoing prior art compounds because (as its application asserted) it possessed unusual and valuable herbicidal activity whereas the related compounds possess "little or no herbicidal efficiency," Monsanto filed in November 1967 an affidavit of Dr. Robert F. Husted (hereafter the "Husted affidavit") and an accompanying amendment prepared by Monsanto's attorneys. We quote from the district court's Finding 37 (Pet. App. 49):

> "This affidavit was drafted by one of Monsanto's patent attorneys and was based upon tests performed by Dr. Husted on about 20 plant species at three different rates of application per acre. The results of these tests were reported by Husted to counsel by letter with attached charts (DX-22). The affidavit only reports the results of tests of *10 compounds applied to 11 plant species at the rate of 2 lbs. per acre of application.* The results were that 3,4-DCPA completely killed or severely injured 9 of the 11 species and failed to have any effect on only 2. By contrast, 8 other compounds were reported to have no effect on any of the 11

plants and two other compounds, one of them 3,4-DCAA, either had very slight effect or no effect." [Italics in original]

The district court proceeded to compare the affidavit with the numerous omitted tests described in the underlying letter and charts forwarded to Monsanto's patent counsel by Husted. We quote further from Finding 37 (Pet. App. 49-50):

"1. The affidavit states that 3,4-DCPA completely kills radishes at 2 lbs. per acre, earning a '4' rating (DX-1, p. 49). The charts attached to Husted's letter to counsel reveal that 3,4-DCPA only has moderate herbicidal value at 2 lbs. per acre, earning a '2' rating (DX-22, last page).

"2. The charts in DX-22 indicate that at 2 lbs. per acre 3,4-DCAA has complete kill value on pigweed, earning a rating of '4' (DX-22, next to last page). The affidavit completely omits the results of this test. (DX-1, p. 49).

"3. The affidavit fails to contain the results of tests where a compound other than 3,4-DCPA attained a rating higher than '1' (DX-1, p. 49). The second to last chart in DX-22 reveals that at 2 lbs. per acre, three compounds other than 3,4-DCPA achieved a rating of '2', which means a moderate herbicidal value.

"4. The affidavit reports that 3,4-DCPA at 2 lbs. per acre achieved a '3' or '4' rating on all plant species except two where it achieved a '0' rating (DX-1, p. 49). DX-22 reveals that at 2 lbs. per acre 3,4-DCPA had a rating of less than 3 on several plant species, which results were not reported in the affidavit.

"5. The affidavit fails to contain the results of Husted's testing at other than 2lbs. per acre (DX-22 first four charts.) These show that 3,4-DCPA

> is somewhat less active at rates other than 2 lbs. per acre."

It is to be noted that petitioner confines itself to the pigweed test mentioned above in paragraph 2, but ignores completely the numerous other withholdings enumerated in paragraphs 1, 3, 4, 5 and elsewhere in the findings below.

In the amendment filed with the Husted affidavit, Monsanto's patent attorneys assured the examiner that the results of Husted's comparative tests were tabulated in the affidavit and "the individual plant species against which the compounds were tested are fully enumerated" (DX-1, A. 665), although the record shows and the court found that 9 of the 20 plant species tested were deliberately omitted, all test results on all plant species at 2 of the 3 application rates tested were also omitted, and of 899 tests conducted by Husted, only 110 were referred to in his affidavit (Fdg. 37, Pet. App. 49-50; C.A. Op., *id.*, 7, 36).

The district court further found as a fact (Fdg. 37, Pet. App. 50):

> "In addition to the above, the Huffman and Allen article (DX-8) reports the results of tests on various crops at 8 lbs. per acre of application and shows that 3,4-DCAA exhibits high herbicidal activity. This article, as well as the results of the tests in DX-22, were not brought to the attention of the patent examiner (Cole, N.T. 811)."

Significantly, petitioner says nothing about the foregoing amendment or the Huffman and Allen article. Nor does petitioner disclose to this Court that, when the selective Husted affidavit was ready for filing, Monsanto's patent attorney had a personal interview with

the patent examiner to discuss her rejection of the claim to 3,4-DCPA—at which time he admittedly did not inform her of the numerous test data that he deliberately omitted from that affidavit (A. 479-89, 492-93). The trial judge commented on this conduct, as follows (Pet. App. 84): "He said he didn't include them because he didn't think they were material. *I don't frankly buy that.*" [Italics added.]

The district court found as a fact, based on the foregoing, that (Fdg. 37, Pet. App. 50):

> "These omissions were intentionally and deliberately made to mislead the patent office into believing that 3,4-DCPA had outstanding herbicidal value as compared to related compounds. The Husted affidavit failed to state facts necessary to be stated in order to make Monsanto's representation to the patent office, taken as a whole, not misleading."

On February 20, 1968, about three months after the filing of the deceptive Husted affidavit, and because of the support which this affidavit supplied to Monsanto's solemn representation in its third patent application that the herbicidal activity of 3,4-DCPA was surprising because "related compounds possess little or no herbicidal efficiency", the examiner withdrew her earlier rejection of the claim to 3,4-DCPA and permitted the patent at bar to issue (Fdg. 38, Pet. App. 50). On the same day, Monsanto sued Rohm and Haas and 5 other companies that had been selling 3,4-DCPA, seeking to enjoin them from all further sales of this product until May 7, 1985 (¶ 14, A. 30).

D. The District Court's First Decision.

In view of the narrow scope of the holding below, we set forth only so much of the district court's first opinion as deals with the misrepresentation issue (Pet. App. 60-66). That court found as facts from the testimony and documents of record that the Husted affidavit "presented to the Patent Office incomplete data, carefully and intentionally chosen to support the position that 3,4-DCPA possessed unique herbicidal properties not possessed by closely related compounds. . . . it is misleading, and was intended to be misleading, in that it fails to state facts known to the applicant which were inconsistent with its position that propanil is a superior herbicide. It is, in short, composed of half-truths. The facts not stated would tend to show that closely related compounds do have more than just slight herbicidal value depending on the rate of application and the plant species to which the compounds are applied. The omitted facts also tend to show that 3,4-DCPA is not so clearly superior as a herbicide to closely related compounds" (D.C. Op., Pet. App. 60-61).

The district court further found that the withheld facts were material because the patent examiner relied upon the Husted affidavit when, after first rejecting the claim to 3,4-DCPA as unpatentable, she withdrew this rejection and decided to issue the patent three months after the affidavit was filed (Pet. App. 62). By withholding the numerous tests and reports known to Monsanto which established the substantial herbicidal activity of the related prior art compounds, the examiner was deceived into accepting at face value the misrepresentation in Monsanto's third application that the "related compounds possess little or no herbicidal efficiency."

Accordingly, the district court held that Monsanto was guilty of deliberately misleading the Patent Office, and this breach of the highest degree of scientific candor required of patent applicants in their dealings with the Patent Office was so inequitable as to invalidate its patent (Pet. App. 63-64, 66). Because of public interest, the inability of the Patent Office independently to verify and determine the truth or falsity of an applicant's assertions, and the realities of the Patent Office backlog, the court specifically rejected any concept which would condone an applicant's presenting only favorable data to the Patent Office while suppressing data reflecting adversely on patentability (Pet. App. 64-65).

E. The District Court's Second Decision.

Following the adverse decision, Monsanto moved under Rules 52 and 59, F.R. Civ. P., for amended findings, for new findings, and for a partial new trial. These motions were denied in a supplemental opinion rendered May 21, 1970 (Pet. App. 100-07), from which we extract only the portion dealing with and denying Monsanto's motion for relief on the misrepresentation issue.

The district court held, first, that Monsanto was not entitled to a new trial on the misuse or misrepresentation issue, because there was no merit to its contention that this issue had not been designated as one to be tried. The record showed quite the contrary (Pet. App. 101-02). Further, there was no occasion for modification of Finding 37, because "even if Monsanto did not intend to deceive the Patent Office, the fact that it intentionally withheld facts which were material to the decision whether it was entitled to a patent is sufficient to bar the issuance of a patent to it" (Pet. App. 102).

The court stated that "all questions of materiality in dealings with the Patent Office ought to be resolved in favor of disclosure" (Pet. App. 102). Further, said the court (Pet. App. 103), "It is also clear that the decision not to disclose these facts to the Patent Office was a deliberate one (N.T. 791-792 [A. 479-70])," footnoted to say, "See also the transcript of the oral argument before us on this motion at page 18 where plaintiff's counsel concedes that the failure to disclose was not accidental [Pet. App. 78]." Accordingly, the district court concluded (Pet. App. 103), "Under these circumstances, even if the decision not to disclose was motivated by nothing more than bad judgment as to the materiality of the information, the patent must still be rejected. We hold that *a specific intent to deceive is not necessary to bar a patent when there is evidence of a deliberate withholding of material information.*" [Italics added.]

F. The Third Circuit's Decision.

The court below concluded that (Pet. App. 5) "it becomes necessary to reach only the misrepresentation issue." Consequently, after reviewing the underlying chemistry of the patent in suit, Monsanto's three successive patent applications, and the Husted affidavit that ultimately induced allowance of the patent, the Third Circuit summarized the district court's findings as follows (Pet. App. 7-8):

> "The district court concluded that this close-cropping of Husted's findings amounted to misrepresentation [setting forth Fdg. 37, Pet. App. 48-50, in a footnote]. Moreover, Judge Masterson found misrepresentation in the inconsistency of Monsanto's representations of 3,4-DCPA's unique herbicidal efficiency, despite assertions in 1957 and

1961 that 3,4-DCAA and other 3,4-dichloroanalides also had activity as herbicides."

After reviewing the evidence in the case and applying to it the standards laid down by this Court in *Precision Co.* v. *Automotive Co.*, 324 U.S. 806, the Third Circuit concluded that (Pet. App. 13-14):

> ". . . we cannot bring ourselves to say that the application for the 1968 patent 'displayed that standard of conduct' demanded under the circumstances. We hold that under the 'totality of circumstances'—(1) the rejection for obviousness in 1957 of the class of compounds of which 3,4-DCPA was a member and the representations of their common properties with related compounds; (2) the similar rejection in 1961 for the same reasons, and (3) the original rejection of the application in 1967 and the subsequent acceptance only after receipt of the Husted affidavit—Monsanto was obliged to disclose more information as to the herbicidal properties of related compounds to the Patent Office than it did; for 'what is at issue is not merely a contest between the parties but a public interest that cancelled or rejected claims not be revived or restored.' *General Instrument Corp.* v. *Hughes Aircraft Co.*, 399 F.2d 373, 385 (1st Cir. 1968). Under these circumstances, it was impossible for the Patent Office fairly to assess Monsanto's application against the prevailing statutory criteria. Thus, Monsanto's failure to disclose amounted to misrepresentation transgressing equitable standards of conduct owed the public by the applicant in return for its monopoly.
>
> "Accordingly, Monsanto was not entitled to the patent monopoly, and the district court did not err in issuing the declaratory judgment of invalidity."

In a footnote, unnecessary to quote here (Pet. App. 14-15, note 14), the court below set out the record

references that disposed of Monsanto's contention—espoused by the dissenting judge—that the district court misapprehended the appropriate burden of proof required for a judgment of invalidity. Those references showed that the district court had expressly applied the "clear and convincing proof" test rather than the yardstick of a mere preponderance of evidence, and showed further that the district court relied alternatively on the admitted deliberate withholding of numerous tests and results which refuted Monsanto's representation that "related compounds possess little or no herbicidal efficiency." In the light of these deliberate acts, Monsanto's contention that it did not intend to deceive the examiner was rejected.

Rehearing and rehearing in banc were denied (Pet. App. 35), but thereafter the opinion below was modified in minor particulars (Pet. App. 36-37).

ARGUMENT

The present case, involving an essentially factual dispute over the validity of a chemical patent, assuredly does not warrant further review by this Court. Concurrent findings below demonstrate how petitioner Monsanto, by deliberate half-truths that were tantamount to misrepresentations, filed a misleading and selective affidavit that directly resulted within three months in the issuance of a broad patent on a chemical compound following repeated efforts to obtain more limited claims that had been wholly unsuccessful over a period of no less than eleven years. This doctored affidavit was submitted as support for the affirmative misrepresentation in Monsanto's patent application that was crucial to patentability, *i.e.*,—the herbicidal activity of 3,4-DCPA was surprising because

"related compounds possess little or no herbicidal efficiency." Monsanto knew at the time it filed this patent application that the foregoing statement was false—but it compounded its original misrepresentation by submitting an affidavit from which it had deliberately withheld numerous tests and reports which refuted its aforesaid misrepresentation and proved that the related compounds actually possessed high herbicidal activity also.

This evidence of petitioner's fraud—we have no hesitation on the present record in using that short if ugly word—is so clear that no question of the appropriate quantum of proof can arise. It was correctly characterized by the trial court as "clear and convincing proof" (Pet. App. 74). Consequently the only possible novelty in the present petition, which adds nothing to its merits, lies in the cynicism with which Monsanto seeks to defend its reprehensible conduct while it ignores the facts of record and the key findings of the trial court, concurred in by the Third Circuit.

We shall analyze hereafter at slightly greater length the basic infirmities of Monsanto's contentions.

First. We agree with petitioner (Pet. 20) that "The standard of proof is not a matter of words." We disagree with—and, preeminently, the record completely disproves—petitioner's contention that an improper standard was here applied.

The rule of "clear, unequivocal, and convincing evidence," laid down in *United States* v. *American Bell Tel. Co.*, 167 U.S. 224, 251 (1897), far from being abandoned as petitioner repeatedly and heatedly asserts, was carefully and properly applied, as indeed both

courts below found and held (Pet. App. 14-15, note 14, and references there cited).

In essence, the evidence established and both courts found that Monsanto had submitted to the Patent Office test results showing that 3,4-DCPA was highly toxic to a large number of weeds and completely harmless to two crops (for which it was asserted to have selective activity), while the related compounds were all useless as herbicides. But, as both courts found, Monsanto's earlier reports and patent applications and the numerous test results withheld showed a completely different picture where some of the related compounds had substantial herbicidal activity comparing favorably with that of 3,4-DCPA on many crops and weeds. See Fdg. 37, Pet. App. 48-50; D.C. Op. Pet. App. 60-62; C.A. Op., Pet. App. 11-15.

The foregoing concurrent findings rest on a very few indisputable factors:

(a) The document involved, particularly the test results (DX-22, A. 914-21) and the selective use made of them in the Husted affidavit (DX-1, p. 49, A. 693). Surely a simple comparison of those two written instruments was sufficient to establish their inconsistency by overwhelming proof.

(b) The trial judge's observation of the witness responsible for the selective withholding of the test results (Pet. App. 102-103), and the trial judge's consequent rejection of that witness's testimony (Pet. App. 84): "He said he didn't include them because he didn't think they were material. I don't frankly buy that." That factor disposes of any suggestion that only "an honest mistake" (*Walker Process Equipment* v. *Food Machinery & Chemical Co.*, 382 U.S. 172, 177 (1965)) was here involved.

(c) The court of appeals' reliance on the foregoing misrepresentations (Pet. App. 11-15). This provides the strength that always flows from concurrent findings.

Consequently, the record establishes without question that the two findings detailing Monsanto's misrepresentations (Nos. 35 and 37, Pet. App. 48-50) not only are fully supported by evidence, not only amply comply with the "clear, unequivocal, and convincing" test, but would in addition fully satisfy even the higher standard of proof beyond a reasonable doubt.

Second. Similarly, this case involves no question of the measure of the necessary intent; it is simply not true as Monsanto asserts (Pet. 17) that this case "has gone further than any other in eliminating intent to defraud as an element for conduct to be penalized as fraudulent."

What the district court said (Pet. App. 103) was, "We hold that a specific intent to deceive is not necessary to bar a patent when there is evidence of a deliberate withholding of material information." By an artful play on words, Monsanto is seeking to substitute a pious profession of innocence for an admitted deliberate withholding of material information, while it simultaneously ignores the flagrant falsehood in its patent application (and patent at bar) that other compounds related to 3,4-DCPA "possess little or no herbicidal efficiency." Thus there is no basis whatever for Monsanto's exaggerated contention (Pet. 24) that "Wrongful or inequitable *intent* has been eliminated as an element of fraud." [Italics in original.]

That impassioned sentence overlooks the absence here of any issue concerning deliberateness; since it

stands conceded by the solemn judicial admission of Monsanto's trial counsel (Pet. App. 78). Therefore the only distinction available to Monsanto is the difference between a deliberate intent to withhold essential information and a deliberate intent to deceive.

But that is a distinction without a difference, because even in the criminal law, and indeed even when the most heinous of all crimes is in issue, a man is assumed "to intend the natural consequences which one standing in his circumstances and possessing his knowledge would reasonably expect to result from his acts." *Cramer* v. *United States*, 325 U.S. 1, 31 (1945).

And, what would reasonably have been expected to result from Monsanto's acts, in fact came to pass. To quote the district court (Pet. App. 61-62), "The facts not stated were, therefore, material. Unquestionably the Patent Office also thought they were material because it placed substantial weight on the Husted affidavit when, after first rejecting the claim, it decided to issue a patent 3 months after the Husted affidavit was filed." As Monsanto's trial counsel admitted—or, more accurately, asserted (A. 654)—"This data convinced them immediately." Now Monsanto suggests that the withheld information was immaterial—and it argues that the plea of innocence by the one responsible for the withholding is proof conclusive that there never was any intent to deceive.

The serious nature of deceptions practiced on the Patent Office by withholding material information, was referred to by the Commissioner of Patents in a recent address from which Monsanto quoted a short excerpt (Pet. 17). The parts of the address not referred to are much more informative because they show that the

sound logic of the concurrent rulings below are so vital to a proper functioning of the Patent Office that its Rules of Practice may in the future require an unequivocal affidavit from patent solicitors that they have not withheld any information inconsistent with representations of fact made by affidavit or otherwise during the prosecution of a patent application. This address is reported in the Congressional Record—Senate, March 17, 1972 at S-4109-12 (see particularly S-4111). And the proposed Patent Office Rule is published in the Federal Register of May 6, 1972, 37 Fed. Reg. 9225.

Third. Monsanto complains (Pet. 8-9, 26-27), that the court below fabricated an inconsistency between its several applications (Pet. App. 5-8, 11-14). But the inconsistency is self-evident from the district court's findings.

In Monsanto's first application in 1957, as well as in its second application in 1961, the compounds related to 3,4-DCPA were alleged to possess "unusual and valuable herbicidal activity" (Fdgs. 23, 28; Pet. App. 45, 46).

However, in Monsanto's third application, filed in 1967, the compounds related to 3,4-DCPA were stated to possess little or no herbicidal activity (Fdg. 35, Pet. App. 48):

> "35. Unlike the two earlier Monsanto applications, the 1967 one asserted that only 3,4-DCPA had 'unusual and valuable herbicidal activity' (DX-1, pp. 1-2). Monsanto asserted that the activity of this new compound was 'surprising' because 'related compounds possess little or no herbicidal efficiency' (DX-1, p. 7, lines 1-2). Monsanto listed 'some' of these related compounds in

> the 1967 application (DX-1, p. 7), but omitted reference to more closely related compounds described in its earlier applications as having 'unusual and valuable herbicidal activity.' (Huffman, N. T. 100-101, 160-4, 169-70)."

Monsanto objects to the trial court's findings that its 1967 application asserted "only 3,4-DCPA" had unusual and valuable herbicidal activity (Pet. 9). But it is significant that despite this objection Monsanto fails to point to any language in the 1967 application which supports or suggests any contrary assertion. Instead it refers to a different application which was pending in a different division of the Patent Office before a different patent examiner.

As the foregoing finding clearly demonstrates, there was no statement in Monsanto's third application which indicated that many of the compounds related to 3,4-DCPA possessed "unusual and valuable herbicidal activity," as it had expressly and at length represented in its earlier applications. On the contrary, the plain representation in the third application is unequivocally to the effect that 3,4-DCPA—and only 3,4-DCPA—possesses such properties.

How Monsanto in the face of those three documents can charge the courts below with fabricating (Pet. 26) an inconsistency, and blandly deny here that any exists—is not for us to say.

Fourth. Monsanto's conduct that two courts condemned after full hearing is now compounded by its cynical suggestions that the Patent System—Monsanto's capitalization, Pet. 26—will work less effectively if those who appear before it are held to the standard of candor and equitable conduct articulated

by this Court in *Precision Instruments* v. *Automotive Co.*, 324 U.S. 806 (1945), a standard that was, very properly, fully enforced herein (C.A. Op. Pet. App. 8-15, D.C. Op. Pet. App. 62-65).

Thus it is argued (Pet. 23) that "The Patent System Will Surely Work Less Well if Attorneys Are Penalized for Exercising Judgment," and, specifically (Pet. 26), "that feeding redundant or immaterial information into the highly structured examination process is more hindrance than help."

We could easily—and accurately—paraphrase the foregoing as follows: When Monsanto was honest over a period of many years it got no patent, but once it (Fdg. 37, Pet. App. 50) "failed to state facts necessary to be stated in order to make Monsanto's representation to the Patent Office, taken as a whole, not misleading", it obtained a patent within three months (Pet. App. 62). Truly, the truth is sometimes (Pet. 26) "more hindrance than help."

What Monsanto asks this Court to sanction is a course of conduct involving, first, the filing of a patent application falsely asserting as justification for a patent the unique property of a compound that is stated to be surprising because it is not possessed by related compounds, and, second, supporting that falsehood by submitting a doctored affidavit from which all contrary facts have been intentionally omitted. Or, otherwise stated, Monsanto asks this Court to apply in patent cases "that good old doctrine for the encouragement of trade, known as *caveat emptor*." Williston, *Representation and Warranty in Sales*, 27 Harv. L. Rev. 1, 13 (1913).

Fifth. Monsanto urges (Pet. 27-31) that the court below erred in not considering the defense of obvious-

ness, which the district court sustained (Pet. App. 54-60), and it stresses (Pet. 12-13) that this defense was rejected in its parallel action against two other companies. *Monsanto Company* v. *Dawson Chemical Co.*, 312 F. Supp. 452 (S.D. Tex. 1970), reversed pursuant to *Blonder-Tongue Laboratories* v. *University of Illinois Foundation*, 402 U.S. 313 (1971), 443 F.2d 1035 (5 Cir. 1971), certiorari denied, 405 U.S. 974 (March 6, 1972; No. 71-787, this Term).

Merely to consider this contention is to destroy it, for there are many reasons why it is untenable.

First and foremost, there is no more basis for requiring the court below in this case to determine the defense of obviousness, which the district court sustained (Pet. App. 54-60), than there is to require the court to determine the defenses of laches and anticipation, which the district court similarly sustained (Pet. App. 66-72). After all, courts of the United States should not decide, indeed they cannot constitutionally decide, what is only a "difference or dispute of a hypothetical or abstract character." *Aetna Life Ins. Co.* v. *Haworth*, 300 U.S. 227, 240 (1937). Once the court below held that the patent was invalid and unenforceable because obtained by half-truths, it was both unnecessary and improper to rely upon other and independent bases for denying that patent's validity and refusing its enforcement.

Next, whether earlier decisions by the Court of Customs and Patent Appeals have been overruled or modified by *In re Stemniski*, 444 F.2d 581 (C.C.P.A. 1971), is totally irrelevant to the issue *sub judice*. That is because the materiality or otherwise of what Monsanto's patent attorney deliberately omitted from the

Husted affidavit filed in November 1967 (Fdg. 37, Pet. App. 49) must be judged by the state of the law as it then stood;* and it cannot be made to depend on rulings several years thereafter. Indeed, the most telling proof of the materiality of what was omitted from the Husted affidavit is the pragmatic test of what it accomplished at the time: It resulted in the grant of a patent, following eleven years of failure, in just three months (Pet. App. 62). In the words of Monsanto's trial counsel (A. 645), "This data convinced them immediately."

Finally, the Texas decision was, obviously, based on a different record. And surely its brushing aside of Monstanto's deliberate withholding of data with the casual remark that they thereby "did nothing more than put their best foot forward" (Pet. App. 127), was properly disposed of—and specifically disapproved—by the district court in this case (Pet. App. 103): "This kind of concept is only workable in adversary proceedings where the other side can be relied upon to bring out all of the facts adverse to the granting of the patent. In view of the realities of the patent office backlog, a standard of disclosure appropriate to adversary proceedings would defeat the public interest in not having patents improvidently issued."

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* The existing law as set out *In re Henze*, 181 F.2d 196 (C.C.P.A. 1950) and other applicable decisions was fully and accurately discussed and applied by the district court (Pet. App. 55-57).

CONCLUSION

The issues are factual, the proof of fraud is overwhelming, and there are neither conflicting decisions nor unresolved questions of law involved. This petition for a writ of certiorari should therefore be denied.

Respectfully submitted.

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